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BILL ANALYSIS

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House Bill 5630 (Substitute H-1 as passed by the House)
Sponsor: Representative Joel Sheltrown
House Committee: Tourism, Outdoor Recreation and Natural Resources
Senate Committee: Natural Resources and Environmental Affairs

Date Completed: 3-17-08

CONTENT

The bill would amend Part 309 (Inland Lake Improvements) of the Natural Resources and Environmental Protection Act to extend procedures for the dissolution of a public lake board to a private lake board; and require a hearing on the dissolution of a private lake board only upon petition by owners of land abutting the lake.

Currently, a lake board for a public inland lake is dissolved if all of the following requirements are met:

- The governing body of each local unit of government in which all or part of the lake is located holds a public hearing on the proposed dissolution, determines that the lake board is no longer necessary for the improvement of the lake because the reasons for its establishment no longer exist, and approves the dissolution of the lake board.
- All outstanding indebtedness and expenses of the lake board are paid in full.
- Any excess funds of the lake board are refunded based on the last approved special assessment roll, unless the excess amount is de minimis, in which case the funds must be distributed to the local units of government in which all or a part of the lake is located, apportioned based on the amounts assessed against each local unit and land in that local unit on the last approved special assessment roll.
- The lake board determines that it is no longer necessary for the improvement of the lake, because the reasons for its establishment no longer exist, and adopts an order approving its dissolution.

Under the bill, the requirements also would apply to a board for a private inland lake.

With regard to the first requirement, the governing body of each local unit may hold the public hearing on its own initiative. Under the bill, this provision would apply in the case of a public lake. Currently, each governing body must hold a public hearing on the dissolution of the board upon petition of two-thirds of the freeholders owning land abutting the lake. Under the bill, this provision would apply in the case of either a public or private lake.

The bill would retain a requirement that notice of the hearing be published twice in a newspaper of general circulation in each local unit, the first notice at least 10 days before the hearing.

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: David Zin

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